

CLASSIFICATION SECRET/SECURITY INFORMATION

CENTRAL INTELLIGENCE AGENCY

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**INFORMATION REPORT**CD NO.  

COUNTRY

Hungary/Czechoslovakia/Poland/Rumania

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SUBJECT

Plan for Aluminum Production in Eastern Europe

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- Q. Give the overall plan for the increase in aluminum production in Eastern Europe, including:
- (a) the amount to be produced in each country involved when the plan is completed;
  - (b) the amounts of raw materials to be imported and exported by the participating countries and how such raw materials will be paid for;
  - (c) the amounts and types of machinery to be imported and exported by the participating countries and how such machinery will be paid for;
  - (d) the type of aluminum that will eventually be produced and the use to which it will be put.
- A. (a) When the plan for the Satellites is completed, the total amount of aluminum which each country must produce is as follows:

Hungary	40,000 metric tons a year
Czechoslovakia	40,000 metric tons a year
Poland	20,000 metric tons a year
Rumania	Between 40,000 and 50,000 metric tons a year

- (b) Poland-Hungary. Poland will permanently import from Hungary 40,000 metric tons of alumina a year.

Czechoslovakia-Hungary Czechoslovakia will import from Hungary, until late 1954, 80,000 metric tons of alumina a year. After that time she will stop the import of alumina and import from Hungary 200,000 metric tons a year of bauxite with a modulus of 7.

Hungary-Rumania Hungary will import from Rumania perpetually 30,000 metric tons caustic soda until the time when Hungary erects its own factory for caustic soda. This factory is to be erected in 1956 and from that time Hungary will stop the import of caustic soda and will import only salt from Rumania.

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All these materials will be paid in the cycle of the normal yearly commercial agreements between the Satellites (partly with raw materials and partly with food).

- (c) Hungary and Poland will import machinery for their alumina industry from Czechoslovakia. Hungary intends to increase its alumina production to approximately 80,000 metric tons a year and will import all of the new equipment from Czechoslovakia. Poland will import all the equipment it can from Czechoslovakia for its rolling mills. Hungary will pay for this agreement with normal goods, but especially with bauxite. Poland exports food and electric power in compensation to Czechoslovakia. Up to 1951 Poland exported 100 million kw hours a year to Czechoslovakia, and since 1951 has increased her export to 200 million kw hours a year.

Poland intends to build up its aluminum rolling mill industry. It is interested not in the production of the metal itself but rather in the production of the end products.

- (d) Rumania received from the USSR a complete aluminum and alumina factory. Rumania is the only Satellite which receives from the USSR machinery in large quantities because it can pay for this machinery with raw oil. The Rumanian aluminum plants will be erected in Transylvania (this part of the country belonged formerly to Hungary.)

All the Satellites including East Germany, now manufacture only unrefined aluminum, with a content of 99.5% metallic aluminum. At the present time only Hungary, among the Satellites, produces aluminum, and this will be exported to the USSR in the form of sheets of the above-named quality. Among all the Satellites only in East Germany is there an aluminum refining factory, located in Bitterfeld. This factory is managed directly by the Soviets. The complete production of this factory is transported to the USSR. The East German authorities have nothing to do with this factory and they do not know the quantities manufactured.

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